

**Connecticut State Board of Accountancy  
Meeting Minutes  
May 7, 2019**

The meeting was called to order by Dannell Lyne, CPA, at 10:13 A.M. in Hearing Room J, at 450 Columbus Boulevard, Hartford, Connecticut 06103

Board Members Present:	Peter J. Niedermeyer	Certified Public Accountant
	Timothy F. Egan <i>via phone</i>	Certified Public Accountant
	Dannell R. Lyne	Certified Public Accountant
	Mark Aronowitz	Public Member
	Karla H. Fox, Esq.	Public Member

Board Members Absent:	John H. Schuyler, Chairman	Certified Public Accountant
	Marcia L. Marien	Certified Public Accountant
	Martha S. Triplett, Esq.	Public Member

Board Vacancies:                      Public Member

DCP Staff Present:	Frank Virnelli, Manager
	Cat Arsenault
	Robin Washbond
	Kellie Conover

Public Present:                      Bonnie Stewart, Executive Director, CT Society of CPAs

**Note:** The administrative functions of the Boards, Commissions and Councils are carried out by the Department of Consumer Protection, Occupational and Professional Licensing Division, 450 Columbus Boulevard, Hartford, CT 06103  
Richard M. Hurlburt, Director: [dcp.occupationalprofessional@ct.gov](mailto:dcp.occupationalprofessional@ct.gov) for minutes and agenda items  
Agency Web site: [www.ct.gov/dcp](http://www.ct.gov/dcp)  
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## **MINUTES OF PREVIOUS MEETINGS**

Mr. Aronowitz made a motion to approve the minutes of the March 5, 2019 Board meeting. The motion was seconded by Mr. Niedermeyer. All remaining board members voted in favor.

## **COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY**

None

## **OLD BUSINESS**

### **CPE Course Qualification**

Mr. Virnelli said that the Department had received another inquiry from a CPA who had passed a certified financial planner (CFP) exam, and wanted to know if studying for the exam could be used toward his continuing professional education (CPE) credits.

Mr. Lyne said that most providers are certified by NASBA. He also stated that if the program is CPE compliant, then it would issue a certificate. If not, there is no question that it is not compliant. It was suggested that NASBA be asked if this issue has come up in other states, and also to research the AICPA standards.

Mr. Lyne, Mr. Niedermeyer and Ms. Stewart from the CTCPA, discussed how necessary self-study is, and how widespread it is used, especially among younger CPAs.

### **Peer Review**

Mr. Virnelli reported that DCP was examining each firm to determine compliance. He and Ms. Arsenault had recently met with Julie McNeal and Lynette Lindner of the CTCPA to learn what the Society does for peer review. Ms. McNeal and Ms. Lindner were very patient as the meeting went longer than they must have expected it would, and they were asked a lot of questions. Ms. Arsenault said that one area that is difficult to confirm is if the firm claims to be exempt from peer review, is there a way to check? She stated DCP is considering having an investigator go to firm offices and look at files to see if they are in fact conducting audits. She related that at the NASBA Legal Counsel Conference she learned that other states do that. The statutes give DCP the authority to do that. Ms. Stewart said that another problem is firms that do not report all of the areas that they do, such as Yellow Book or union pension plans. She added that the trend is that fewer people are doing work that would require peer review due in part to the cost of peer review. That is intentional, so that those who do attest work do the work more often and not occasionally.

Ms. Stewart gave an update on the CTCPA's discussions with other states regarding peer review. She said that the Society was not moving forward with New England Peer Review (NEPR), which consists of Maine, New Hampshire, Vermont, and Rhode Island.

They have not closed the door on a joint venture with NEPR, but they want to make sure Connecticut runs as it should. They have begun to work with Massachusetts. They have talked about switching RABs (Report Acceptance Bodies). Also, the Massachusetts CPA is retiring, so there has been discussion about having Julie McNeal, CPA on the CTCPA's staff who works with peer review, also be the CPA for Massachusetts. Ms. Stewart said they are comfortable with what they are doing now. They are looking to share the costs so it is not as expensive for CPAs in Connecticut.

## **NEW BUSINESS**

### **NASBA Legal Conference**

Attorney Arsenault stated that she attended the 24th Annual Conference for Board of Accountancy Legal Counsel, held in San Antonio, Texas on March 26-28, 2019. and provided an overview of the topics presented at the conference such as: NASBA's new CPE tracking system; NASBA's review of education qualifications for the state boards and verifying foreign schools; nationwide legislative updates; State Board access to NASBA CPA disciplinary records; testing accommodations, legal cases impacting the profession and data breaches.

### **Evolution of the CPA Profession**

Mr. Virnelli said that on March 5, 2019, in the afternoon after the last Board meeting, he listened in on a webinar about the NASBA/AICPA CPA Evolution Project. It was led by Colleen Conrad, Executive Vice President and COO for NASBA, and Dan Dustin, Vice President of State Board Relations for NASBA. They said that the dual pathway proposal that was submitted in 2018 "did not fly" with the state boards. This was the proposal for dual pathways to become a CPA, one the current way and the other focusing on technology. They said there is support for one pathway moving forward. A joint work group of NASBA and AICPA members was formed in August of 2018. The group made recommendations, including one exam that would be modified to add technical and analytics assessments. Education would also be changed to include relevant technical knowledge. They are in the process of drafting guiding principles, and then will ask for feedback. They will solicit comments about the core principals at the regional meeting, and ask what should licensure look like in the future? They emphasized that all is still evolving.

Ms. Fox made a motion to add a discussion relative to non CPA financial statements to the agenda. The motion was seconded by Mr. Niedermeyer. All remaining board members voted in favor.

### **Non-CPA Financial Statements**

Mr. Virnelli said that in speaking with Mr. Niedermeyer about a related issue, Mr. Niedermeyer suggested that the Board discuss the question of how DCP (or the Board) approaches non-licensees who issue reports on financial statements using language found in CPA reports. Mr. Lyne said that the Board had this issue a few years

ago. The wording of the AICPA standards was used in doing a compilation. He believed the Board sent out a cease and desist letter. Ms. Fox asked if it was like practicing law without a license, and are there similar laws with accountancy? Mr. Virnelli said that there are similar laws. Ms. Fox declared it would be problematic, and we would pursue that matter.

### **CPE/EXAM EXTENSION REQUESTS**

Ms. Fox made a motion to add Thomas McManus to the agenda. The motion was seconded by Mr. Niedermeyer. All remaining board members voted in favor.

#### **Thomas McManus – Requesting extension of CPE requirements to December 31, 2019 for medical reasons**

Ms. Fox made a motion to grant an extension to December 31, 2019. The motion was seconded by Mr. Aronowitz. All remaining board members voted in favor.

### **ADJOURN**

Mr. Niedermeyer made a motion to adjourn the meeting at 11:30 A.M. The motion was seconded by Mr. Aronowitz. All remaining board members voted in favor.

Next scheduled meeting: Tuesday, July 9, 2019, at 10:00 A.M., in Hearing Room J, 450 Columbus Blvd., Hartford.